

Message Text

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12

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 L-03 DRC-01 /061 W

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FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 0281

LIMITED OFFICIAL USE BUDAPEST 3333

E.O. 11652: N/A

TAGS: ETRN, HU

ALSO PASS CAB

SUBJECT: CIVAIR - PANAM SERVICE TO BUDAPEST

REF: STATE 190917

1. WITHOUT CONTACTING GOH WE ARE ABLE TO RESPOND AS
FOLLOWS TO QUESTIONS CONTAINED REFTEL.

A) HUNGARIAN OFFICIAL TRAVEL AGENCY (IBUSZ) SELLS
TICKETS FOR ALL AIRLINES BUT ONLY AT ONE DOWNTOWN OFFICE.
IBUSZ OFFICE AT AIRPORT NOW PRIMARILY ENGAGED IN MONEY
CHANGING. POSSIBILITY OF IBUSZ ACTING AS GENERAL SALES
AGENT UNKNOWN. OF COURSE IATA RULES GOVERNING SALES AGENT
RELATIONS WITH A TRAVEL AGENT WOULD ALSO NEED TO BE CON-
SIDERED.

B) SWISSAIR BEGAN TO SELL ITS OWN TICKETS DIRECTLY
ON JUNE 1, 1972. ALL TICKETS MUST BE SOLD FOR CERTAIN
CONVERTIBLE CURRENCIES (INCLUDING SWISS AND FRENCH
FRANCS, DMARKS, POUNDS STERLING AND US DOLLARS). NO
TICKETS MAY BE SOLD FOR FORINTS, ALTHOUGH SWISSAIR HAS
REPEATEDLY ASKED FOR SUCH PRIVILEGES AND IS REPORTEDLY
NOW PRUSUING MATTER ON GOVERNMENTAL LEVEL. (SWISSAIR
BEGAN USING MODER COMPUTER BOOKING SYSTEM IN ITS DOWN-
TOWN BUDAPEST OFFICE LAST WEEK.) SAS HAS PERMISSION TO
BEGIN CONVERTIBLE CURRENCY SALES IN BUDAPEST, BUT IS
REPORTEDLY BEING DELAYING ADMINISTRATIVELY UNTIL MALEV
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BEGINS SALES IN SCANDINAVIA. BEA IS REPORTEDLY INTERESTED

IN CONVERTIBLE CURRENCY SALES. ALL FOREIGN AIRLINES ARE BELIEVED TO BE INTERESTED IN FORINT SALES, BUT NO AIRLINE (BLOC INCLUDED) HAS SUCH PRIVILEGES. WESTERN AIRLINES ARE POOLED WITH MALEV ON WESTERN EUROPEAN FLIGHTS TO AND FROM BUDAPEST, BUT IT IS BELIEVED THAT MALEV FAVORS ITSELF ON SUCH BOOKINGS. ON NON-POOLED FLIGHTS NOT FLOWN ON MALEV, BUT REACHABLE ON MALEV (I.E. MALEV TO FRANKFURT AND LUFTHANSA TO LONDON, INSTEAD OF MALEV ALL THE WAY TO LONDON, HUNGARIANS MUST PAY IN WESTERN CURRENCIES EVEN AT MALEV, AND THIS IS A SUBSTANTIAL BARRIER TO PERMISSION FOR FORINT SALES. EVEN MORE DISCRIMINATING TO WESTERN AIRLINES IS PRACTICE (ACCORDING TO SWISSAIR MANAGER) OF USING FOREIGN TRADE MULTIPLIER RATE (I.E. U.S. \$1 EQUALS 46.7) INSTEAD OF OFFICIAL RATE (U.S. \$1 EQUALS 23.35) FOR COMPUTING FORINT PAYMENT TO BE MADE FOR LONG DISTANCE DESTINATIONS ON THAT PART OF TRIP NOT REACHABLE BY MALEV (I.E. LONDON-NEW YORK).

C) SIX MONTH RESIDENCE VISAS ARE AVAILABLE TO FOREIGN AIRLINE MANAGERS. THESE ARE RENEWED BY MINISTRY OF CIVIL AVIATION THROUGH MALEV. MINISTRY ALSO ARRANGES FOR SUCH MATTERS AS CUSTOMS FREE PERSONAL IMPORT PRIVILEGES, SPECIAL CAR TAGS, ETC. OFFICES CAN BE RENTED BUT IT WILL TAKE TIME AND EFFORT. SWISSAIR WAS ABLE TO "PURCHASE" OFFICE, BUT DOES NOT RETAIN NORMAL RIGHT OF OWNERSHIP. GOH INDICATED TO US NEGOTIATORS FOR CIVAIR AGREEMENT THAT THEY EXPECTED PANAM TO BE INTERESTED IN LOCATING IN INTER-CONTINENTAL HOTEL COMPLEX, AF THIS IN FACT WOULD BE DESIRABLE LOCATION IF RENT REASONABLE. BANK ACCOUNTS IN FORINTS OR ANY CONVERTIBLE CURRENCY MAY BE OPENED WITH FOREIGN TRADE BANK. LOCAL HIRE EMPLOYEES ARE PROVIDED TO AIRLINES BY DIPLOMATIC SERVICE BUREAU.
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